

434 847 2083

# CHARLOTTESVILLE ALBEMARLE COUNTY

*Convention & Visitors Bureau*

Attachment #2

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visitorcenter@charlottesville.org • www.SoVeryVirginia.com

To Ann,

Thank you for your  
time this morning. We  
will be watching for  
lessons we can learn from  
Lynchburg.

Here is a copy of our  
agreement so you can see  
the Performance Measures  
expected from us.



CHARLOTTESVILLE  
ALBEMARLE COUNTY

*Convention & Visitors Bureau*

*SoVeryVirginia.com*

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**CHARLOTTESVILLE-ALBEMARLE**  
**AGREEMENT FOR OPERATION OF A**  
**JOINT CONVENTION AND VISITORS' BUREAU**

THIS AGREEMENT is made and entered into this 1<sup>st</sup> day of July, 2004 ("Commencement Date") by and between the City of Charlottesville, Virginia ("City") and the County of Albemarle, Virginia ("County") (together, the "Parties").

**WITNESSETH:**

WHEREAS, pursuant to the authority vested in them by §§ 15.2-940 and 15.2-1300 of the Code of Virginia (1950), as amended, the Parties desire to enter into an agreement with one another for the joint funding and operation of a local Convention and Visitors' Bureau; and

WHEREAS, the Parties desire, through this joint undertaking, to promote the holding of conventions, meetings, conferences and trade shows in Charlottesville; to advertise, publicize, and promote tourism, leisure travel and meeting facilities within the Charlottesville-Albemarle area; and to otherwise promote the resources and advantages of each locality, and the Parties deem such activities to be the purposes of the joint Convention and Visitors' Bureau established by this Agreement; and

WHEREAS, the Parties, in entering into this Agreement, intend to revise the terms and conditions under which the existing Convention and Visitors' Bureau has been funded and operated within their community prior to the date of this Agreement, and to re-authorize that entity in accordance with the provisions set forth herein;

NOW THEREFORE, in consideration of the premises and mutual obligations herein, the parties hereby set forth their agreement as follows:

**SECTION 1. CACVB Established.** There is hereby re-established and re-authorized a joint entity, to be known as The Charlottesville-Albemarle Convention and Visitors' Bureau ("CACVB"), responsible for administering the functions that are the subject of this Agreement. CACVB shall act by and through the management board established and referred to within Section 8 of this Agreement. CACVB shall perform the following services (hereinafter referred to as the "Services") for the benefit of the Parties in a satisfactory and proper manner, as determined by the Parties:

**A. Meeting Booking and Sales.** CACVB shall respond to inquiries, provide information to the public, and as part of its convention marketing efforts, shall aggressively promote the bookings and sales of sites within the City and County for regional, national, and international conventions, trade shows, and corporate meetings.

**B. Convention Services.** CACVB shall provide customary convention services to those clients who have booked their convention/meeting through the CACVB. All other conventions/meetings will be serviced on an availability basis. The particular services to be provided depend upon the agreement between CACVB and the meeting planner at the time of booking and other requests, which may be made in the course of servicing the convention/meeting. Customary convention services may include but are not limited to the following:

- Assistance in promoting attendance
- Visitors guides and appropriate literature
- Shuttle bus coordination
- Attraction/Itinerary Scheduling
- Dining/Restaurant Scheduling
- Bonded Registration
- Tourism information tables

C. **Tourism.** CACVB shall promote tourism within the City of Charlottesville and the County of Albemarle. Strategies may include but are not limited to: visitor information services; attendance at industry and travel/trade, consumer, planner, hotel and attraction conferences and meetings; and responses to phone inquiries, advertising, public relations, promotions, and packaging. CACVB will oversee the operation and maintenance of at least one visitor center within the City and at least one visitor center in the County.

D. **Reports.** CACVB shall keep the City and County advised of its activities and accomplishments, and shall deliver the reports described within ***Schedule A***, attached and incorporated herein by reference.

E. **Conduct of Services.** Expenditures made by CACVB pursuant to this Agreement shall be in conformity with the purposes and requirements for which Transient Occupancy Tax Revenues may be expended by the Parties under the law of the Commonwealth of Virginia.

**SECTION 2. DURATION OF AGREEMENT.** This Agreement shall be and remain in effect until terminated by the Parties, or either of them. Either party may terminate this Agreement by giving written notice to the other party, and to the CACVB Management Board, at least six months prior to any July 1<sup>st</sup> of any year in which the Agreement remains in effect. The effective date of any such termination shall be no sooner than June 30<sup>th</sup> of the year following the six months' notice.

### **SECTION 3. FUNDING**

A. **Funding Cycle.** The Parties agree to fund the activities and responsibilities of CACVB during each Fiscal Year (July 1 through June 30 of each calendar year) in which this Agreement remains in effect, beginning with the Parties' Fiscal Year 2005.

B. **Funding Levels.** Subject to the provisions of subparagraph (E), below within this section, each of the Parties shall provide funding for CACVB, in each Fiscal Year, in an amount equal to thirty percent (30%) of its Transient Occupancy Tax revenues collected by it in the most recent Fiscal Year for which a full year of data is available ("Actuals"). This specified percentage and obligation is based on, and specifically limited to, a Transient Occupancy Tax of five percent (5%) in each locality; if either party enacts a Transient Occupancy Tax greater than 5%, that party's funding obligation shall be determined as if its tax were 5%.

C. **Payment by County.** Annual funding provided pursuant to paragraph 3(B), above, shall be delivered by the County to the City (as Fiscal Agent for CACVB) in equal quarterly payments, payable on July 1, October 1, January 1 and April 1 each year, due upon receipt of an invoice from the City.

**D. Budget.** CACVB shall establish and maintain a budget for its operations and activities in each Fiscal Year, as follows:

(1) Each year CACVB shall prepare and approve a budget for the upcoming Fiscal Year, using Actuals provided by the City and the County. The budget shall identify all amounts received by CACVB from private funding sources.

(2) A copy of CACVB's approved budget shall be provided to the City and the County no later than December 31 each year. Along with the approved budget, CACVB shall provide the City and County with a balance sheet showing its revenues and expenditures for the prior fiscal year and the fund balance, if any, from the prior fiscal year.

**E. Documentation of Costs.** All costs incurred and expenditures made by CACVB in performance of its obligations under this Agreement shall be supported by payrolls, time records, invoices, purchase orders, contracts, or vouchers, and other documentation satisfactory to the Parties, evidencing in proper detail the nature and propriety of such costs. Upon request of either Party, all such documentation and records pertaining in whole or in part to this Agreement shall be made available for review and inspection.

**F. Appropriations.** Notwithstanding any other provisions of this Agreement, the Parties' funding obligations are expressly made contingent upon the availability of public funds and the annual appropriations thereof by the Parties. The City's appropriations of funds for the promotion and advertisement of the City are and shall be further subject to the provisions of Section 21 of the City's Charter. In the event that either party does not appropriate funds in the amount necessary to support its obligations hereunder for a subsequent fiscal year, then this Agreement shall automatically expire at the end of the then-current fiscal year. .

#### **SECTION 4. PERFORMANCE.**

**A. Return on Investment.** CACVB shall meet a Return on Investment ratio of 7 to 1 annually, i.e., \$7 of total direct visitor expenditures for every dollar (\$1.00) of funding provided to CACVB by the Parties ("ROI Requirement"). The formula for calculating "total direct visitor expenditures" is set forth within *Schedule B*, attached and incorporated herein by reference. Schedule B may be amended from time to time upon the agreement of CACVB, the City Manager and the County Executive. In the event CACVB fails to meet the ROI requirement in any year, CACVB will be placed on Contract Review Status for the following year. If CACVB then fails to meet the ROI requirement for the subsequent year, the Parties may cancel this Agreement. The City Manager, or his designee, and the County Executive, or his designee, shall, together, meet with CACVB at least once each Fiscal Quarter to review CACVB's performance and accomplishments.

**B. Performance Measures.** CACVB shall track and report to the Parties on a quarterly basis its progress toward achieving the performance measures described within *Schedule B*. Specific performance measures that will be effective as of the Commencement Date are also set forth within *Schedule B*.

**C. Performance Indicators.** CACVB will track certain performance indicators and report to the Parties on a quarterly basis the results of such tracking. The performance indicators that will be utilized as of the Commencement Date are set forth within *Schedule B*.

#### **SECTION 5. CITY/COUNTY SERVICES.**

**A. Personnel Administration.** The City will provide CACVB with employees necessary to perform the services required under this Agreement. These employees, including a staff member to serve as the executive Director of CACVB, shall be recruited, hired, managed and paid under and in accordance with the City's personnel/payroll system and policies. The executive Director shall serve at the pleasure of CACVB's management board.

**B. Fiscal Agent.** The City will serve as Fiscal Agent for CACVB and shall be entitled to a fee of two percent (2%) of the Actuals referenced in Section 3(B) in return for this Service, which fee may be deducted from the City's required funding contribution each year. The City will provide insurance coverage as well as legal representation and counsel to CACVB. CACVB will conduct public procurement under and in accordance with the City's procurement laws and procedures.

**SECTION 6. LIABILITY.** Liability for damages to third parties arising out of or in connection with the operations and activities of CACVB shall be shared jointly by the parties, to the extent not covered by funding within CACVB's budget or insurance proceeds, and only to the extent that the City and County may be held liable for such damages under the laws of the Commonwealth of Virginia.

**SECTION 7. TERMINATION FOR CAUSE.** In addition to any other rights of termination reserved to the Parties herein, in the event that CACVB fails to fulfill in a timely and proper manner its obligations under this Agreement, or in the event that CACVB violates any of the covenants, agreements, or stipulations of this Agreement, the Parties shall thereupon have the right to terminate this Agreement by giving written notice to the CACVB of such termination and specifying the effective date thereof at least sixty (60) days before the effective date of such termination. In such event, all finished or unfinished documents, data, maps, studies, surveys, drawings, models, photographs and reports prepared by the CACVB under this Agreement shall be delivered by CACVB to the Fiscal Agent for the Parties, and CACVB shall immediately take steps to wind up outstanding business with third parties.

#### **SECTION 8. CACVB ORGANIZATION.**

**A. Management Board.** The powers and authority of CACVB shall be vested in a joint management board, consisting of eleven members, as follows:

**Seat 1:** Charlottesville City Manager, or his designee

**Seat 2:** Albemarle County Executive, or his designee

**Seat 3:** President of the Charlottesville Regional Chamber of Commerce, or his designee

**Seat 4:** Executive Vice President of the University of Virginia, or his designee

**Seat 5:** President/CEO of the Thomas Jefferson Foundation, or his designee

**Seat 6:** Representative of Local General Business Community, appointed by City Council

**Seat 7:** Representative of Local General Business Community, appointed by County Board

**Seat 8:** Representative of Local Accommodations/Hotel Business (Manager), appointed by City Council

**Seat 9:** Representative of Local Accommodations/Hotel Business (Manager), appointed by County Board

**Seat 10:** Representative of Local Tourism Industry (Tourist Site/Event/Arts Owner or Manager), appointed by City Council

**Seat 11:** Representative of Local Tourism Industry (Tourist Site/Event/Arts Owner or Manager), appointed by County Board

**B. Terms of Appointments.** The City and County shall each select the initial appointees for seats 6, 7, 8, 9, 10 and 11 ("Appointed Seats"); thereafter, when any of those seats becomes vacant, the Management Board shall submit a list of three eligible nominees to the appointing jurisdiction and such jurisdiction may, but shall not be required to, appoint a person from the nomination list to fill the vacant seat. The persons initially appointed to seats 6, 7, 10 and 11 shall serve terms of one year each, commencing on July 1<sup>st</sup>, 2004. Persons initially appointed to seats 8 and 9 shall serve terms of two years each, commencing on July 1<sup>st</sup>, 2004. Thereafter, all appointments to the Appointed Seats shall be for terms of two years each. Any person appointed to the Appointed Seats must be and remain, throughout his term of appointment, an owner, operator, officer or manager of a business or organization within the category represented.

(1) No person may be appointed to more than four (4) consecutive two-year terms in an Appointed Seat, exclusive of time served in the unexpired term of another.

(2) An appointment to fill a vacant Appointed Seat resulting from the resignation, removal or other unavailability of a member shall be for the unexpired portion of the vacant term only.

**C. Officers.** CACVB shall prescribe procedures for the election of officers, to be set forth within bylaws duly enacted by the management board.

**D. Powers.** The City and County hereby authorize CACVB to exercise the following powers and duties:

(1) To establish and maintain an official seal, which may be altered at will, and to use it, or a facsimile of it, by impressing or affixing it, or in any other manner reproducing it;

(2) To make and amend bylaws, not inconsistent with the provisions of this Agreement or the laws of the Commonwealth of Virginia, for managing the business and regulating the affairs and meetings of the management board;

(3) To conduct its business, locate offices and exercise the powers and obligations that are the subject of this Agreement within the City of Charlottesville and the County of Albemarle;

(4) To elect and appoint officers and agents of CACVB;

(5) To make payments or donations, or do any other act not inconsistent with this Agreement or any applicable law, that furthers the business and affairs of CACVB.

**E. Meetings; quorum.** The management board shall hold meetings no less than bi-monthly. Meetings shall be conducted in accordance with FOIA. Six members of the management board shall constitute a quorum. No action shall be taken by the board except by majority vote at a lawfully constituted meeting.

## **SECTION 9. MISCELLANEOUS.**

**A. No Discrimination.** In performing the functions and services assigned to it under this Agreement CACVB shall not discriminate against any person on the basis of race, color, religion,

sex, national origin or ancestry, age, physical handicap, or disability as defined in the Americans With Disabilities Act of 1990, as now enacted or hereafter amended.

**B. FOIA Applicable.** CACVB is a "public body" as that term is defined within §2.2-3701 of Virginia's Freedom of Information Act (§§2.2-3700 et seq.) ("FOIA"), as are any committees or subcommittees appointed by CACVB to perform delegated functions of CACVB or to advise CACVB. At all times CACVB shall conduct its activities and operations in accordance with FOIA.

**C. Ownership of Documents, Materials.** No material produced in whole or in part under this Agreement shall be subject to copyright by CACVB, or any other person or entity other than the City or County, whether in the United States or in any other country. The Parties shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared by or for CACVB under this Agreement.

**D. Disposition of Property Upon Termination.** Upon the expiration or earlier termination of this Agreement all personal property of CACVB shall be and remain the joint property of the City and County for disposition, and the proceeds of disposition shall be pro-rated between the City and County in accordance with the ratio of the amount(s) provided by each of them to CACVB: (i) as capital contributions since 1979, and (ii) as contributions of operating funds during the 10 years preceding the date of expiration or termination, as compared with the sum of the Parties' contributions.

**E. Compliance with Applicable Laws.** In performing the Services required hereunder, CACVB shall comply with all applicable laws, ordinances, and codes of the Federal, State and local governments.

**F. Amendments.** The Parties may, from time to time, request changes in the Services or functions to be performed by CACVB hereunder. Such changes, including any increase or decrease in the amount of CACVB's funding, shall be incorporated in written amendments approved by the Parties to this Agreement. This Agreement may be altered, amended, changed or modified as mutually agreed upon by and between the Parties and CACVB, and such alterations, amendments, changes or modifications shall be incorporated in written amendments to this Agreement.

**G. Assignments.** CACVB shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement (whether by assignment or novation), without the prior written consent of the Parties.

**H. Political Activity.** None of the funds, materials, property or services provided directly or indirectly to CACVB under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

**I. Severability.** If any part of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such holding will not affect the validity or enforceability of any other part of this Agreement.

**J. Entire Agreement.** This Agreement contains the entire agreement of the parties and supersedes any and all other prior or contemporaneous agreements or understandings, whether verbal or written, with respect to the matters that are the subject of this Agreement.

**K. Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Virginia.

**L. Approval Required.** This Agreement shall not become effective or binding upon the Parties until approved by ordinances of the Charlottesville City Council and of the Albemarle County Board of Supervisors.

IN WITNESS WHEREOF, and as authorized by duly adopted ordinances of each, the City and County do hereby execute this Agreement as of the date first above written, by and through their respective agents or officials:

CITY OF CHARLOTTESVILLE, VIRGINIA

By: [Signature]

Its: City Manager

Approved as to Form: [Signature]

By: City Attorney or Designee

COUNTY OF ALBEMARLE, VIRGINIA

By: [Signature]

Its: County Executive

Approved as to Form: [Signature]

By: County Attorney or Designee

#### **SCHEDULE A: REPORTS**

(1) CACVB shall provide the Parties with an annual marketing/ operational plan ("Marketing Plan") submitted annually on or before December 31 each calendar year, that includes at a minimum: situation analysis, measurable expected outcomes, data driven rationale for strategies and budget reflecting strategies.

(2) CACVB shall provide the Parties with quarterly reports of the following: (a) program performance, including a comparison of the CACVB's performance during the quarter with the performance goals set forth in *Schedule B*; and (II) tracking report of the performance measures listed in *Schedule B*, and (III) an Expenditures Report, accounting for dollars spent for marketing, promotion, publicity, and advertisement, shown by category. The quarterly performance reports shall be submitted to the Parties within thirty (30) days after the end of each quarter that this Agreement is in effect.

(3) On or before September 1<sup>st</sup> each year, CACVB shall provide the Parties with an annual report of the outcome of the contract performance measures for the previous year. The Parties will review the Annual Report no later than October 1<sup>st</sup> and determine compliance with the ROI. These findings will be reported to CACVB.

(4) At such times and in such forms as the parties may require, there shall be furnished to the Parties such statements, records, reports, data and information, as the Parties may request pertaining to matters covered by this Agreement. The parties shall, at their option, have the right to request an independent audit of the books and records of CACVB; in the event the Parties choose to do so, they shall share equally the cost thereof.

(5) Records prepared or owned by CACVB, or in the possession of CACVB, its officers, staff or agents in the transaction of public business, shall be maintained by the CACVB in accordance with applicable law and requirements, including, without limitation the Virginia Freedom of Information Act ("FOIA"), §§2.2-2700 et seq. of the Code of Virginia (1950), as amended.

**SCHEDULE B  
RETURN ON INVESTMENT METHODOLOGY**

**A. CALCULATING "DIRECT VISITOR EXPENDITURES"**

rect v      The term "direct visitor expenditures" shall refer to the following sum:

**Group room revenue**

[ (Group Room Nights Booked ) x (ADR\*) ]

plus

[ (# of delegates/visitors) x (# days spent in City/County) x (ADE\*\*) ]

\$ \_\_\_\_\_

**Leisure inquiries (consumer and trade)**

[ (room nights generated) x (ADR\*) ]

plus

[ (# of visitors) x (# days spent in City/County) x (ADE\*\*) ]

\$ \_\_\_\_\_

**Direct Visitor Expenditures**

\$ \_\_\_\_\_

**Off Season Adjustment**

Add 20% to direct expenditures in off-season (off-season shall be November, December, January and February of each year).

\$ \_\_\_\_\_

**Total Direct Visitor Expenditures**

\$ \_\_\_\_\_

\*ADR = Average Daily Rate (calculated annually by CACVB based on research)

\*\*ADE = Average Daily Expenditure (excluding room rate) (calculated annually by CACVB, based on research, excluding room rate)

**B. PERFORMANCE MEASURES**

Performance Measures shall be utilized to indicate the performance of CACVB. These measures will be used to calculate the total economic expenditure for inclusion in the formula set forth within paragraph A, above:

<b>Performance Measures</b>	<b>Tracking Mechanisms</b>	<b>Target</b>
1. ROI (total direct expenditures + \$ Invested)	ROI Formula	7:1
2. Room nights booked for meeting groups	CACVB tracking, Through Sales Department Software programs	Determined by CACVB via marketing plan  Supported by research/rationale
3. Group tour definite bookings	CACVB tracking	Determined by CACVB via marketing plan
4. Leisure inquiries converted (consumer and trade)	Conversion Analysis	
5. Destination awareness (trade and consumer)	Contract with outside resource	Supported by research/rationale
6. Coop Resources Raised (in kind, marketing, alliances)	CACVB tracking	Equal to 25% of total marketing budget

7. Media Coverage (scope, demographics, reach)	Clipping Service	Determined by CACVB
8. Overhead expenditures*	CACVB budget	Reduce by 5% annually toward goal of <30% of total budget

\*calculations include Finance and Administrative divisions plus support costs for the Executive division

### C. PERFORMANCE INDICATORS

CACVB will track certain performance indicators to monitor the performance of the local tourism industry, using the method described below.

<i>Performance Indicators</i>	<i>Tracking Mechanisms</i>
1. Economic Impact of Tourism (Annual basis)	Visitor Profile and VTC Statistics
2. Transient Occupancy Tax Collections	City and County Records
3. Occupancy	City and County Records
4. ADR	City and County Records
5. Length of Stay (Annual basis)	Visitor Profile
6. Per-Person expenditure (Annual basis)	Visitor Profile
7. Attraction Attendance	Compilation from Industry Records